

# OFFICIAL DOCUMENTS

ISLAMIC REPUBLIC OF AFGHANISTAN

July 12, 2017

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Re: AFGHANSTAN: Grant No. D206-AF  
(Inclusive Growth Development Policy Operation)  
Section 5.01 of the General Conditions  
Financial and Economic Data

Dear Sirs and Mesdames:

In connection with the Financing Agreement of this date between Islamic Republic of Afghanistan (the Recipient) and International Development Association (the Association) for the above-captioned Project, and the General Conditions (General Conditions) made applicable to the Financing Agreement, I am writing on behalf of the Recipient to set forth the following:

1. We understand and agree that, for purposes of Section 5.01 of the General Conditions, the Recipient is required by the Association:
  - (a) to report "long-term external debt" (as defined in the World Bank's Debtor Reporting System Manual, dated January 2000 (DRSM)), in accordance with the DRSM, and in particular, to notify the Association of new "loan commitments" (as defined in the DRSM) not later than 30 days after the end of the quarter during which the debt is incurred, and to notify the Association of "transactions under loans" (as defined in the DRSM) once a year, not later than March 31 of the year following the year covered by the report; and
  - (b) to: (i) notify the Association at least three months prior to incurring any non-concessional long-term external debt, of its intention to incur such debt, together with the proposed terms of such debt; and (ii) afford the Association a reasonable opportunity to exchange views with the Recipient on the matter. For purposes of this paragraph, "non-concessional long-term external debt" means any long-term external debt (as defined in the DRSM), but excluding private debt (as so defined), with an estimated grant element (GE) calculated in the manner published from time to time by the Association (see, [www.worldbank.org/ida](http://www.worldbank.org/ida) under "reports") of less than (i) 35% or (ii) the GE for determining concessionality established by the International Monetary Fund in any External Credit Facility arrangement, Standby Credit Facility or Policy Support Instrument with the Recipient in effect at the time of such notice, whichever is higher.

